

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

AMERICAN GENERAL LIFE INSURANCE  
COMPANY,

Plaintiff,

v.

TINA MILINOVICH, PAULA HASKELL  
MIRAGLIA, and I.G.M., a minor,

Defendants.

No. C-15-0823 MMC

**ORDER RE: MINOR'S COMPROMISE;  
DIRECTIONS TO CUSTODIAN PAULA  
HASKELL MIRAGLIA; SETTING  
JANUARY 15, 2016 STATUS  
CONFERENCE; VACATING ALL OTHER  
DATES AND DEADLINES**

Before the Court is the parties' "Stipulation and [Proposed] Order for Distribution of Proceeds and Dismissal of Action" ("Stipulation"), filed November 13, 2015, by which the parties seek the Court's approval of their settlement. The Court construes the Stipulation as a petition for approval of a minor's compromise, as the settlement provides for a distribution to defendant I.G.M., who is a minor individual. See Cal. Code Civ. Proc. § 372(a)(1) (providing "guardian ad litem . . . appearing for any minor . . . shall have power, with the approval of the court in which the action or proceeding is pending, to compromise the same").

On August 6, 2010, plaintiff American General Life Insurance Company ("AGLIC") issued a life insurance policy to David J. Miraglia, I.G.M.'s father, with a death benefit in the amount of \$500,000. Thereafter, on August 1, 2014, David J. Miraglia died and "conflicting demands were made regarding the Policy Proceeds, including claims by [defendants]."

1 (See Stipulation ¶ 3.) On February 24, 2015, AGLIC filed the above-titled action for  
2 interpleader relief, and subsequently deposited with the Court \$503,108.83, the sum of the  
3 death benefit plus accrued interest, and was dismissed from the case. (See id. ¶ 4.)

4       Thereafter, the remaining parties reached a settlement agreement, the terms of  
5 which are as follows: (1) forty percent of the proceeds shall be distributed to David J.  
6 Miraglia's wife, defendant Paula Haskell Miraglia ("Miraglia"); (2) forty percent of the  
7 proceeds shall be distributed to David J. Miraglia's sister, defendant Tina Milinovich; and  
8 (3) twenty percent of the proceeds shall be distributed to "Paula Haskell Miraglia to hold as  
9 custodian under the California Uniform Transfers to Minors Act for the benefit of I.G.M. until  
10 she reaches the age of 25." (See id. ¶ 5.)

11       Having read and considered the Stipulation, the Court hereby APPROVES in part  
12 and DENIES in part the Stipulation, as follows:

13       1. The Court finds the distribution to I.G.M. is fair, reasonable, and in the best  
14 interests of I.G.M., as the settlement awards I.G.M. the maximum amount she could have  
15 received had she prevailed at a trial of this matter on the merits.

16       2. Contrary to the parties' stipulation, Miraglia shall hold I.G.M.'s distribution as  
17 custodian pursuant to Chapter 4 of the California Probate Code, and not under the  
18 California Uniform Transfers to Minors Act, as Chapter 4 applies where, as here, a court  
19 "approves a compromise of a pending action or proceeding in which a minor . . . is a party,"  
20 and "[t]he compromise, covenant, or judgment provides for the payment or delivery of  
21 money or other property for the benefit of the minor." See Cal. Prob. Code § 3600; see  
22 also Cal. Code Civ. Proc. § 372(a)(1) (providing "[m]oney or other property to be paid or  
23 delivered pursuant to the order or judgment for the benefit of a minor . . . shall be paid and  
24 delivered as provided in Chapter 4 (commencing with Section 3600)."

25       In accordance with § 3611(b) of the California Probate Code, Miraglia is directed to  
26 deposit the sum to be paid to I.G.M., specifically \$100,621.77, "in an insured account in a  
27 financial institution in this state, . . . subject to withdrawal only upon the authorization of the  
28

1 court," see Cal. Prob. Code § 3611(b), said account to be in I.G.M.'s name, with Miraglia as  
2 custodian. Upon deposit of the sum of \$100,621.77, Miraglia shall file with the Court a  
3 completed "Receipt and Acknowledgment of Order for the Deposit of Money into Blocked  
4 Account" ("Receipt"). See California Judicial Council Form MC-356.

5 3. Contrary to the Stipulation, I.G.M. shall gain access to the funds in said account,  
6 upon application to this Court, when she reaches eighteen years of age, as the Court only  
7 retains "jurisdiction of the money and other property paid, delivered, deposited, or invested  
8 under [Article 2, Chapter 4] until the minor reaches 18 years of age." See Cal. Prob. Code  
9 § 3612(a).

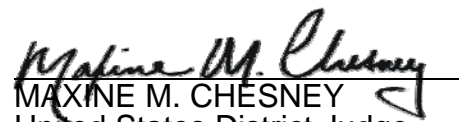
10 4. A Status Conference with respect to the deposit of the above-referenced sum is  
11 hereby set for January 15, 2016, at 10:30 a.m. No appearance is necessary, and the  
12 Status Conference will stand vacated without further order of the Court, if a completed  
13 Receipt is filed on or before January 8, 2016. If a Receipt has not been filed on or before  
14 January 8, 2016, Miraglia shall file, no later than January 8, 2016, a Status Conference  
15 Statement, indicating therein the reason(s) why the Receipt has not been filed.

16 5. In accordance with the Stipulation, upon filing of the Receipt, the Court shall enter  
17 an order dismissing the above-titled action with prejudice. (See Stipulation ¶ 7.)

18 6. All remaining dates and deadlines in the above-titled matter are hereby  
19 VACATED.

20 **IT IS SO ORDERED.**

21 Dated: December 10, 2015

  
MAXINE M. CHESNEY  
United States District Judge